

**BEFORE THE TENNESSEE REGULATORY AUTHORITY AT
NASHVILLE, TENNESSEE**

JUNE 25, 1999

IN RE:)
AT&T TARIFF TO REMOVE HOLIDAY) **DOCKET NO. 99-00223**
DISCOUNTS FROM DDD SERVICE)

ORDER DENYING TARIFF

This matter came before the Tennessee Regulatory Authority ("Authority") at the regularly scheduled Authority Conference held on April 20, 1999, for consideration of AT&T Tariff to Remove Holiday Discounts from DDD Service. This Tariff was originally filed with the Authority on March 31, 1999, with the proposed effective date of May 3, 1999, for the purpose of eliminating holiday discounts from DDD long distance rates for calls made on the following holidays: Christmas Day, New Year's Day, Independence Day, Thanksgiving Day and Labor Day.

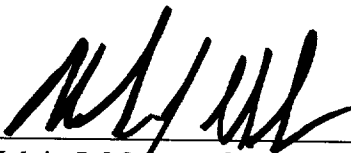
Under TRA Rule 1220-4-2-.55, certain long distance rates for interexchange carriers (IXCs) are capped. The specific section of this rule that categorizes and caps certain long distance rates is 1220-4-2-.55(d)(i)&(ii) under Rate and Price Setting Requirements that states:

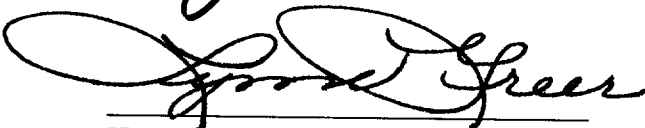
1. IXC services shall be classified as one of two categories of services: 1) direct distance dialing (DDD), and 2) All Other Services.
 - (i). DDD rate schedules, rates for operator assisted calls (0+ and 0-) and residential Optional Calling Plans shall be included in the DDD service category
 - (ii). Any new service that is not DDD or a residential calling plan shall be placed in the All Other Services category.
2. The Commission [Authority] shall only establish a price cap for DDD services. The initial price cap for each IXC shall be that company's rate (less any annual access reductions) in effect on the date of this rule subsection.

TRAAD

AT&T'S tariff currently offers discounts off the daytime DDD rates for calls made on these holidays. Removing these discounts effectively increases the rates for these holiday calls by as much as \$.09 per minute. Therefore, after consideration of the record in this matter, the Directors unanimously denied the proposed tariff finding that the increase in DDD rates would violate TRA Rule 1220-4-2-.55.

IT IS THEREFORE ORDERED THAT THE TARIFF 99-00223 BE DENIED.




Melvin J. Malone, Chairman

H. Lynn Greer, Jr., Director

Sara Kyle, Director

ATTEST:



K. David Waddell, Executive Secretary